

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
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FM AMEMBASSY TUNIS

TO SECSTATE WASHDC 5563

INFO AMEMBASSY ALGIERS

AMEMBASSY CAIRO

AMEMBASSY PARIS

AMEMBASSY RABAT

AMEMBASSY TRIPOLI

C O N F I D E N T I A L TUNIS 0517

E.O. 11652: GDS

TAGS: PINT, ELAB, EGEN, TS

SUBJECT: GOT ANNOUNCES WAGE INCREASES, HERALDS FIVE YEAR
SOCIAL COMPACT

REF: TUNIS 0097

1. THREE-MONTH STUDY OF WAGE LEVELS BY TRIPARTITE COMMIS-
SIONS CULMINATED ON JANUARY 19 WITH GOT ANNOUNCEMENT OF
SUBSTANTIAL INCREASES IN MINIMUM WAGE RATES AND IN SALARY
SCALES FOR GOVERNMENT EMPLOYEES. AFTER FEBRUARY 1, THE
MINIMUM WAGE WILL GO UP 33.3 PERCENT RESULTING IN HOURLY
WAGE IN THE INDUSTRIAL SECTOR OF 193 MILLIMES (46 CENTS) AND
A DAILY WAGE IN THE AGRICULTURAL SECTOR OF 1 DINAR 200 MILLIMES
(ABOUT \$2.85). GOVERNMENT EMPLOYEES WILL RECEIVE A SALARY
INCREASE OF 11 DINARS PER MONTH (ABOUT \$26). SCHOOL TEACHERS
WILL RECEIVE MONTHLY INCREASE OF 15 DINARS (\$36) IN TWO
TRANCHES OVER COMING YEAR. GOT PROMISED TO TAKE MEASURES
NECESSARY TO PROTECT PRODUCERS OF PRICE-CONTROLLED GOODS SO
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THEY WILL NOT BE ADVERSELY AFFECTED BY WAGE INCREASES.

2. THE ANNOUNCEMENT OF THESE SUBSTANTIAL INCREASES WAS
ACCOMPANIED BY A CEREMONIAL SIGNING OF A FIVE YEAR SOCIAL
COMPACT BY GOT OFFICIALS AND REPRESENTATIVES OF THE TRADE
UNION MOVEMENT, THE BUSINESSMEN'S ASSOCIATION AND THE
FARMERS' UNION. THIS COMPACT CALLED ON ALL SECTORS OF

SOCIETY TO INCREASE EFFORTS TO IMPROVE PRODUCTIVITY AND INVESTMENT. COMPACT ALSO COMMITTED SIGNERS TO PROTECT PURCHASING POWER OF WORKERS AND PROMISED ANNUAL REVIEW OF ALL SALARY LEVELS IN PUBLIC AND PRIVATE SECTORS AND TO INCREASE WAGES WHEN THE COST-OF-LIVING INCREASES MORE THAN 5 PER CENT.

3. GOVERNMENT OFFICIALS HAVE EMPHASIZED RELATION OF THESE WAGE INCREASES TO OVERALL POLICY OF GUARANTEEING JUST DIVISION OF FRUITS OF GROWTH IN TUNISIAN SOCIETY, LINKING THEM DIRECTLY TO NEW PRICE AND TAX POLICY UNVEILED BY PRIME MINISTER NOUIRA IN NATIONAL ASSEMBLY BUDGET DEBATES (SEE REFTEL). DESTOURIAN SOCIALIST PARTY RELATED ORGANIZATIONS JOINED IN SUPPORT FOR THE WAGE INCREASES AND THE SOCIAL COMPACT. UGTT SECRETARY GENERAL HABIB ACHOUR SAID THIS POLICY OFFERS PEACE AND TRANQUILITY NECESSARY FOR SUCCESS OF FIFTH DEVELOPMENT PLAN AND HE PROMISED THAT UGTT WILL UNDERTAKE CAMPAIGN TO MOBILIZE WORKERS TO INCREASE PRODUCTIVITY. FERDJANI BELHAJ AMMAR, PRESIDENT OF UTICA (INDUSTRY, COMMERCE AND ARTISAN ORGANIZATION) PROMISED THAT EMPLOYERS ARE READY TO INCREASE WAGES IN STEP WITH INCREASES IN PRODUCTIVITY WHILE FARMERS' UNION PRESIDENT MOHAMED GHEDIRA PREDICTED THE NEW MEASURES WOULD HAVE A POSITIVE EFFECT ON FARM PRODUCTION.

4. THE INCREASES IN MINIMUM WAGE FOR INDUSTRIAL WORKERS IS SIGNIFICANT AND WILL CERTAINLY BE WELL RECEIVED BY THEM. THE COST-OF-LIVING IN TUNIS HAS RISEN BY ABOUT 15 PERCENT FOR LOWEST INCOME GROUPS SINCE THE MINIMUM WAGES WERE LAST

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RAISED IN JUNE 1975. WAGE INCREASES FOR GOVERNMENT EMPLOYEES ARE WEIGHTED IN FAVOR OF LOWER INCOME LEVELS AND ALSO SHOULD BE WELL RECEIVED. AGRICULTURAL MINIMUM WAGE WILL BENEFIT PERMANENT EMPLOYEES OF PRIVATE FARMS. EMPLOYEES OF STATE FARMS WERE RECENTLY GRANTED HIGHER WAGE RATES. SEASONAL FIELD WORKERS ARE DIFFICULT TO FIND EVEN AT RATES OF \$5 TO \$6 PER DAY, WHICH IS MUCH HIGHER THAN THE MINIMUM WAGE RATE.

5. THE ONLY NOTE OF DISCORD WE HAVE HEARD ARISES FROM PUBLIC SCHOOL TEACHERS WHO HAD BEEN DEMANDING RECLASSIFICATION OF TEACHING POSITIONS AND ESTABLISHMENT OF NEW ALLOWANCES THAT WOULD HAVE BEEN EQUIVALENT TO 100 PERCENT WAGE INCREASE. TEACHERS' 20 PER CENT WAGE INCREASE SPREAD OVER 12 MONTHS MAY BE VIEWED AS INADEQUATE AND TEACHERS' UNIONS, WHICH HAVE BEEN AMONG THE MOST MILITANT IN UGTT, COULD REJECT THE INCREASE ANNOUNCED JANUARY 19.

6. IN GENERAL, THE JANUARY 19 INCREASES APPEAR TO BE

A WISE MOVE BY THE GOVERNMENT AND, TAKEN TOGETHER WITH EFFORTS TO IMPROVE INCOME TAX COLLECTION AMONG WELL-TO-DO AND TO INCREASE COST OF LUXURY GOODS, COULD SPELL A MAJOR IMPROVEMENT IN REGIME'S POPULARITY. HABIB ACHOUR TOLD US PRIVATELY THAT HE WAS VERY PLEASED WITH THE OUTCOME OF THE TRIPARTITE SALARY COMMISSIONS' WORK AND HIS STRONG PUBLIC SUPPORT FOR GENERAL GOVERNMENT POLICY WILL CERTAINLY AID IN NOUIRA'S ACHIEVEMENT OF THE FIFTH DEVELOPMENT PLAN'S OBJECTIVES.
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